



1-126A029

17297

COMMERCIAL LOAN DEPARTMENT

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INTERSTATE COMMERCE COMMISSION

March 3, 1991

Secretary of the Interstate Commerce Commission  
12th and Constitution Avenue, N.W.  
Washington, D.C. 20423

Re: Recordation of Security Agreement  
Between Buckingham Branch Railroad  
Company and Sovran Bank, N.A.

Dear Secretary

On behalf of Sovran Bank, N.A., I have enclosed an original and one certified copy of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the 1103 of Title 49 of the United States Code. Such document is a "primary document" as defined in 49 C.F.R. Section 1177.1 (a).

The document to be recorded is a Security Agreement dated January 14, 1991 (the "Agreement"), between Buckingham Branch Railroad Company, as Debtor, and Sovran Bank, N.A., as Secured Party.

The names and addresses of the parties to the Agreement are as follows:

Debtor: Buckingham Branch Railroad Company  
P. O. Box 336  
Dillwyn, VA 23936

Secured Party: Sovran Bank, N.A.  
1111 East Main Street  
Richmond, VA 23219

A description of the equipment covered by the Agreement follows:

Eight (8) 100-ton small cube covered hopper cars, I.D. numbers BB3000, BB3001, BB3002, BB3003, BB3004, BB3005, BB3006, and BB3007 (formerly RMGX3000-RMGX3007).

Also enclosed is a check in the amount of \$15.00 in payment of the filing fee for the Agreement. Please return the original and any extra copies not needed by the Commission for recordation to the undersigned at Sovran's address as set forth above.

Secretary of the Interstate Commerce Commission  
March 4, 1991  
Page 2

A short summary of the document to appear in the index follows:

Security Agreement dated January 14, 1991, between Buckingham Branch Railroad Company, as Debtor, and Sovran Bank, N.A., as Secured Party, covering eight (8) 100-ton small cube covered hopper cars, I.D. numbers BB3000, BB3001, BB3002, BB3004, BB3005, BB3006, and BB3007 (formerly RMGX3000-RMGX3007).

Very truly yours,

SOVRAN BANK, N.A.

A handwritten signature in black ink, appearing to read "J. Robeson", written over the printed name.

Jack M. Robeson  
Vice President

/jmy

Enclosure

**Interstate Commerce Commission**  
Washington, D.C. 20423

5/6/91

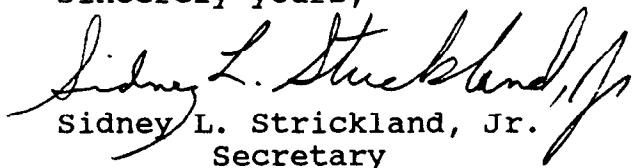
OFFICE OF THE SECRETARY

Jack M. Robeson  
Vice President  
Sovran Bank N.A  
Commercial Loan Dept  
P.O.Box 587  
Farmville, V.A. 23901

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5/6/91 at 11:45am , and assigned recordation number(s). 17297

Sincerely yours,

  
Sidney L. Strickland, Jr.  
Secretary

SOVRAN BANK NA

By: Jack M. Robeson

Vice President

Date MAY 6 1991 - 11 45 AM

## Security Agreement — Commercial

Name Buckingham Branch Railroad Company  
 Street Address U. S. Highway 15  
 City Dillwyn State Virginia Zip Code 23936

whose Chief Executive office is located in the City County of Buckingham (the "Debtor"), hereby grants to Sovran Bank, N A., a national banking association, with its principal office at 1111 East Main Street, Richmond, Virginia 23219 (the "Bank"), a security interest in the following described collateral:

## COLLATERAL (check appropriate boxes)

☐ Each and every account, receivable, contract right, lease, chattel paper, and other rights of the Debtor to the payment of money, of every nature, type and description, whether now owing to the Debtor or hereafter arising, and all monies and other proceeds (cash or non-cash), including returned goods now or hereafter to grow due thereon, whether now owned or hereafter acquired, including, without limitation, the following

(which accounts, receivables, contract rights, leases, chattel paper and other rights are sometimes hereinafter referred to as "Accounts"), and all proceeds of said Accounts, and

☐ All of the Debtor's goods held for lease or sale or being processed for lease or sale, all raw materials, work in process, finished goods, packaging materials, and all other materials and supplies used or consumed in the Debtor's business, and all other inventory, whether now owned or hereafter acquired, of every nature, type and description, including, without limitation, the following

(which property is sometimes hereinafter referred to as "Inventory"), and all proceeds and products of said Inventory, and

☐ All patents, trademarks, service marks, trade secrets, copyrights and exclusive licenses (including all pending patents, trademarks, service marks and copyrights and all applications, materials, documents and other matter relating thereto), all inventions, and all manufacturing, engineering and production plans, drawings, specifications, processes and systems, all trade names, computer programs, data bases, systems and software, goodwill, choses-in-action, and all other general intangibles of every nature, type and description, whether now owned or hereafter acquired by the Debtor, including, without limitation, the following

(which property is sometimes hereinafter referred to as "General Intangibles"), and all proceeds of said General Intangibles, and

☐ All machinery, equipment, tools, furniture, all other tangible personal property of the Debtor of every nature, type and description (excluding "household goods" not in the Bank's possession, as that term is defined at 12 C.F.R. § 227.12, as it may be amended from time to time, if the indebtedness is for personal, family or household purposes), and all fixtures, together with all additions and accessions thereto and all replacement parts and substitutions therefor, and all similar property now owned or hereafter acquired by the Debtor, including, without limitation, the following property

(which property is sometimes hereinafter referred to as "Equipment"), and all proceeds of said Equipment, and

☐ All livestock of the Debtor, all increase thereof, all feed, both hay and grain owned by the Debtor, all water privileges, all equipment used in feeding and handling said livestock, and all the Debtor's right, title and interest in and to all contracts and leases covering lands for pasture and grazing purposes, whether now owned or hereafter acquired by the Debtor, including, without limitation, the following

(all of which is sometimes hereinafter referred to as "Livestock"), and all proceeds and products of said Livestock, and

☒ Other (8) covered hopper cars, I. D. #'s BB3000; BB3001; BB3002; BB3003; BB3004; BB3005; BB3006; BB3007 (Formerly RMGX3000-RMGX3007)

(all of which is sometimes hereinafter referred to as "Other Collateral"), and all proceeds thereof

(The Accounts, Inventory, General Intangibles, Equipment, Livestock, and Other Collateral, or such as are checked above, including all instruments, documents, securities, cash, property and the proceeds of any of the foregoing, owned by the Debtor or in which the Debtor has an interest, which now or hereafter are at any time in the possession or control of the Bank or in transit by mail or carrier to or from the Bank or in the possession of any third party acting on behalf of the Bank, without regard to whether the Bank received the same in pledge, for safekeeping, as agent for collection or transmission or otherwise or whether the Bank had conditionally released the same, and any deposit accounts of the Debtor with the Bank against which the Bank may exercise its right of setoff, are hereinafter collectively referred to as the "Collateral.") Proceeds of the Collateral shall include any proceeds of insurance against fire or physical damage, whether or not such policy shall contain an endorsement in favor of the Bank

70871

☒ Debtor

This/these security interest(s) is/are granted to the Bank to secure (1) Payment of a certain promissory note of ☐ Other \_\_\_\_\_ ("Obligor") dated January 14, 1991

executed and delivered to the Bank in the principal sum of \$ 144,000.00, payable as to principal and interest as therein provided, together with any and all renewals and extensions thereof and substitutions therefor, and all interest thereon, (2) future advances to be made by the Bank to the Debtor or Obligor at the Bank's option, which may or may not be evidenced by notes payable to the Bank, and all interest thereon, (3) all reasonable expenditures by the Bank for taxes, insurance, maintenance, and preservation of the Collateral and any other collateral securing obligations of the Debtor or Obligor to the Bank, and all costs and expenses incurred by the Bank in the collection and enforcement of any indebtedness of the Debtor or Obligor to the Bank and of this Agreement (including attorney's fees), (4) all reasonable expenses of the Bank, including fees of the Bank's counsel, incident to the enforcement of payment of all obligations of the Debtor or Obligor by any action or participation in, or in connection with a case or proceeding under Chapters 7, 11 and 13 of the Bankruptcy Code, or any Successor Statute thereto, and (5) except as otherwise provided below, all other liabilities of the Debtor or Obligor to the Bank now existing or hereinafter incurred, matured or unmatured, direct or contingent, whether or not evidenced by a note or notes, and whether originally owing to the Bank or acquired by the Bank from any third party, and any and all renewals and extensions thereof and substitutions therefor. If the Collateral is personal property used as a principal residence (such as a mobile home or a houseboat) or "household goods" (as that term is defined at 12 C.F.R. § 227.12, as it may be amended from time to time) which are not in the Bank's possession and which are not fixtures, such Collateral shall not secure any other liability contracted for personal, family or household purposes between the Debtor or Obligor and the Bank whether now existing or hereinafter arising, unless the Debtor otherwise expressly agrees. (All of the indebtedness secured by this Agreement is hereinafter referred to as the "Indebtedness")

If the Debtor is not the maker of the note described above, and in the event any amount paid to the Bank on any Indebtedness is subsequently recovered from the Bank in or as a result of any bankruptcy, insolvency or fraudulent conveyance proceeding, the Debtor shall be liable to the Bank for the amounts so recovered up to the fair market value of the Collateral whether or not the Collateral has been released or the security interest terminated. In the event the Collateral has been released or the security interest terminated, the fair market value of the Collateral, shall be determined, at the Bank's option, as of the date the Collateral was released, the security interest terminated, or said amounts were recovered.

## REPRESENTATIONS

The Debtor represents and warrants to the Bank, and such representations and warranties shall be continuing so long as any indebtedness shall remain outstanding, as follows:

**Binding Agreement.** This Agreement constitutes the valid and legally binding obligation of the Debtor, enforceable in accordance with its terms.

**Ownership of Collateral.** The Debtor now owns, or will use the proceeds of the advances secured hereby to become the owner of, the Collateral and has the right to grant to the Bank a security interest therein.

**Location and Protection of Records.** The records relating to the Collateral are kept at the address of the Debtor shown at the head of this Agreement (and if the assigned Accounts, if any, include chattel paper, all chattel paper will be kept at the same office), unless a different address has been specified below.

Street Address \_\_\_\_\_  
City/County \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

**Location of Collateral.** The Collateral is located at the address of the Debtor shown at the head of this Agreement, unless a different address has been specified below for the Collateral designated:

1. Type of Collateral \_\_\_\_\_

Street Address \_\_\_\_\_

Located in the city/county of \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

2. Type of Collateral \_\_\_\_\_

Street Address \_\_\_\_\_

Located in the city/county of \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

The Debtor will not change the location of the Collateral, or any part thereof, without giving the Bank at least thirty (30) days' prior written notice.

**Collateral Free of Encumbrances.** The Debtor has not previously assigned, encumbered or mortgaged any Collateral, and the Collateral is not subject to a prior security interest or lien in favor of any person other than the Bank. The Debtor will defend the Collateral against all claims and demands of all persons at any time claiming any interest therein.

**Financing Statements.** No financing statement describing the Collateral or any part thereof, or covering any proceeds of the Collateral, is on file in any public office except those in favor of the the Bank.

**Set-offs, Counterclaims and Defenses (Applicable only to Accounts).** The Accounts hereby assigned are valid obligations, correct in amount, do not arise from or relate to the sale of farm products by a farmer, and there are no set-offs, counterclaims or defenses of any kind thereto.

## COVENANTS

The Debtor covenants and agrees that so long as any indebtedness remains outstanding:

**Financing Statements.** The Debtor will execute financing statements and continuation statements in form satisfactory to the Bank, and the Debtor will reimburse the Bank for all expenses incurred in the filing of financing statements, continuation statements and termination statements. The Debtor agrees that the Bank may file a carbon, photographic copy or other reproduction of any financing statement.

**Maintenance of Records.** The Debtor will keep and maintain, at its own cost and expense, satisfactory, complete and current records of the Collateral, including, but not limited to, a record of all shipments received, deliveries made, contracts performed, payments received, credits granted thereon and other dealings therewith. Upon request by the Bank, the Debtor will provide it with written reports of the status of the Collateral, or any part thereof, as of the period specified. These reports shall be in such form and in such detail as the Bank shall reasonably direct. The Debtor will not change the location of its books and records without giving the Bank at least thirty (30) days' prior written notice. The Debtor will protect its records and assigned Accounts, if any, against fire, theft, loss or any other manner of destruction or loss. Such protection will consist of a locked metal container satisfactory to the Bank and any other protective means and devices deemed necessary by the Bank.

**Maintenance of Collateral.** The Debtor will keep the Collateral in good condition and free from all liens and other security interests, and the Debtor will not use the Collateral illegally, sell or offer to sell (except in the ordinary course of business) or otherwise transfer or encumber the Collateral, or permit it to be affixed to real or personal property without the prior written consent of the Bank.

**Taxes.** The Debtor will pay promptly when due all taxes, charges and assessments, including penalties and interest, which are or may become a lien on the Collateral or any part thereof, except to the extent that they may be contested in good faith and by appropriate proceedings.

## DEFAULT

**Events of Default.** The occurrence of any one or more of the following events shall constitute an event of default hereunder

- 1 Default in the payment of the note or any obligation secured hereby, or in the performance of any covenant or agreement contained or referred to herein,
- 2 Any warranty, representation or financial statement made or furnished to the Bank by or on behalf of the Debtor proves to have been false in any material respect when made or furnished,
- 3 Any default shall be made with respect to any other obligation for the payment of borrowed money when due or the performance of any other obligation incurred in connection with any indebtedness for borrowed money, if the effect of such default is to accelerate the maturity of such indebtedness or to permit the holder thereof to cause such indebtedness to become due prior to its stated maturity,
- 4 Loss, theft, substantial damage, destruction, sale or encumbrance to or of any of the Collateral, or the making of any levy, seizure, or attachment thereof or thereon;
- 5 Any time the Bank in good faith believes that the prospect of payment of any Indebtedness secured hereby or the performance of this Agreement is impaired,
- 6 Any judgment for the payment of money which, in the opinion of the Bank, is in an amount material to the financial condition of the Debtor or any guarantor and is not adequately insured or indemnified against, or
- 7 Death of the Debtor or any guarantor or surety, dissolution, termination of existence, insolvency, business failure, the failure to pay debts as they become due, application for the appointment of a receiver or custodian for any part of the Collateral, assignment for the benefit of creditors or the commencement of any proceeding under any bankruptcy or insolvency law by or against the Debtor or any guarantor or surety for the Debtor

**Remedies.** Upon any such event of default and at any time thereafter, the Bank may declare all obligations secured hereby immediately due and payable without notice, protest, presentment or demand, all of which are hereby expressly waived by the Debtor, and may proceed to enforce payment of same and exercise any and all of the rights and remedies provided by the Uniform Commercial Code as well as all other rights and remedies possessed by the Bank. The Bank will give the Debtor reasonable notice of the time and place of any public sale of the Collateral or any part thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of the Debtor shown at the head of this Agreement at least five (5) days before the time of the sale or disposition, but nothing contained herein shall be construed to mean that any other notice of a shorter period of time does not constitute reasonable notice for the sale of the Collateral, or any part thereof. Expenses of retaking, holding, preparing for sale, selling or the like shall include the Bank's reasonable attorney's fees and legal expenses. In such event of default, the Debtor shall upon request by the Bank assemble the Collateral or any designated part thereof and make it available to the Bank at such place as is designated by the Bank.

The security interests, rights and remedies granted by the Debtor to the Bank herein are in addition to any other rights, collateral or other remedies which the Debtor or any other person has granted or may hereafter grant to the Bank by any other instrument or through the delivery of any document, instrument, chattel paper or other collateral.

The titles and section headings herein are included for convenience only and shall not be deemed to be a part of this Agreement.

Each and every right granted to the Bank hereunder or under any other document delivered hereunder or in connection herewith or allowed it by law or equity shall be cumulative and may be exercised from time to time. No failure on the part of the Bank to exercise, and no delay in exercising, any right shall operate as a waiver thereof, nor shall any single or partial exercise by the Bank of any right preclude any other or future exercise thereof or the exercise of any other right. The terms of this Agreement shall be binding upon the successors and assigns of the parties hereto.

This Agreement shall be governed and construed in accordance with the laws of the Commonwealth of Virginia. Wherever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

IN WITNESS WHEREOF the parties to this Agreement have caused it to be executed by their duly authorized officers the day and year first written above.

ATTEST

Julia B. Gamett  
(Debtor's Corporate Seal)

This is a true and Certified Copy.

By: Jack M. Robeson  
Jack M. Robeson  
Vice President

Buckingham Branch Railroad Company (SEAL)  
(Debtor)

By: R. E. Bryant  
(Authorized Officer)

By: Ann J. Bryant  
(Additional Signature if Required)

By: \_\_\_\_\_  
(Additional Signature if Required)

SOVRAN BANK, N.A.

By: [Signature]  
(Authorized Officer)

**Documents of Title** In the event that any Collateral purchased by or to be delivered to the Debtor shall be evidenced by a bill of lading, dock warrant, dock receipt, warehouse receipt or other document of title, the Debtor will immediately notify the Bank and upon request by the Bank will promptly deliver such document to the Bank.

**Change of Name, Residence, Place of Business or Location of Collateral** The Debtor will not change its name, operate under any assumed name or change its residence, corporate structure or principal place of business, nor change the location of the Collateral or any part thereof, without giving the Bank at least thirty (30) days' prior written notice.

**Inspection and Delivery of Collateral, Books and Records** The Bank, or its agents, may at any time, and from time to time, inspect the Collateral, and the books and records of the Debtor pertaining thereto, and for the further security of the Bank, it is agreed that the Bank shall have a special property interest in all books and records of the Debtor pertaining to Accounts (including chattel paper). The Debtor shall, at its own expense and cost, deliver any such Accounts (including chattel paper), books and records to the Bank, or any designated agent of the Bank, at such time and place as the Bank may reasonably request. If requested by the Bank, the Debtor will stamp all chattel paper hereby assigned in a form and manner satisfactory to the Bank with an appropriate reference to the effect that the chattel paper has been assigned to the Bank, and the Debtor will similarly stamp its account ledgers and other books and records pertaining to the assigned Accounts.

**Expenses** The Debtor shall be liable for, and agrees to pay the Bank, any and all expenses incurred or paid by the Bank in protecting or enforcing its rights under this Agreement, including reasonable attorney's fees and legal expenses, whether incurred in collecting specific Accounts or otherwise. At its option, the Bank may discharge taxes, liens, security interests or other encumbrances on the Collateral and may pay for the repair or damage to the Collateral, the maintenance and preservation thereof and for insurance thereon. The Debtor agrees to reimburse the Bank on demand for any payments so made, and until such reimbursement, the amount of any such payment, with interest at the maximum contract rate permitted by law from date of payment until reimbursement, shall be added to the Indebtedness owed by the Debtor and shall be secured by this Security Agreement.

**Insurance** The Debtor will continuously insure the Collateral with a responsible company or companies satisfactory to the Bank against fire (with extended coverage) in the full insurable value of the Collateral and against such other casualties in such amounts as the Bank shall reasonably require. This insurance policy (or policies) shall have attached thereto a standard loss payable clause, without contribution, in favor of the Bank, as its interest may appear, and shall otherwise be in form acceptable to the Bank, and the Debtor will use its best efforts to have such policy (or policies) provide that it (they) may not be cancelled without ten (10) days' prior written notice to the Bank. The Debtor will deliver the policy or policies properly endorsed, as additional security, and where a renewal policy is necessary in the performance of this covenant, the Debtor will deliver it, as security, at least ten (10) days before the expiration of the existing insurance. The Debtor hereby assigns to the Bank any return of unearned premiums which may be due upon cancellation of any such policy or policies for any reason whatsoever and directs the insurer(s) to pay to the Bank any amounts so due. The Debtor hereby irrevocably appoints the Bank as its attorney-in-fact, with full power of substitution, to execute loss claims and other applications for payment of benefits under any insurance policy in the name of either the Debtor or the Bank, receive all monies and endorse drafts, checks, and other instruments for the payment of any proceeds of any insurance or in order to collect any return of unearned premiums. This appointment shall be deemed a power coupled with an interest and shall not be terminable by the Debtor so long as the Debtor remains indebted to the Bank, and shall not terminate on disability of the Debtor.

**Compliance with Federal and State Laws** The Debtor will comply with all Federal and State laws applicable to its business, whether now in effect or hereafter enacted, including, without limitation, the Federal Truth in Lending Act, 15 U.S.C. §§1601 et seq., the Equal Credit Opportunity Act, 15 U.S.C. §§1691 et seq., all regulations issued under either Act, and all statutes and regulations issued by the state or states in which the Debtor conducts business, and upon request the Debtor will provide the Bank with such evidence of compliance as the Bank may reasonably request.

**Audit** The Debtor will cause its books to be audited at least annually and will furnish to the Bank within ninety (90) days after the end of its fiscal year financial statements duly certified by an independent certified public accountant, including balance sheets and profit and loss statements. The Debtor will furnish the Bank within thirty (30) days after the close of each quarter a profit and loss statement for, and a balance sheet as of the end of, such quarter, such statements to be duly certified by the president or treasurer of the Debtor.

**Other Loans and Security Interests** If the Debtor obtains any loan from anyone other than the Bank, or if the Debtor obtains an extension or renewal of any present indebtedness to anyone other than the Bank, except trade indebtedness, the Debtor will notify the Bank of such fact in writing within three (3) days. Except with the prior written approval of the Bank, the Debtor will not mortgage, pledge, hypothecate or otherwise grant a security interest in any of its Inventory and/or proceeds to anyone other than the Bank, if this Agreement covers Inventory collateral.

**Qualification to do Business** The Debtor will, at the request of the Bank, qualify to do business and obtain all requisite licenses and permits in each state in which such action may be necessary in order to maintain any action to collect any debt.

**Compromises and Discounts** Without the prior written consent of the Bank, the Debtor will not grant any extension of time in the payment of any Accounts, or compromise, compound or settle the same for less than the full amount thereof, or release wholly or partially any person liable for payment thereof, or allow any credit or discount whatsoever in the amount of any Account is invoiced except for ordinary trade discounts or allowances for prompt payment. The Debtor, moreover, will not agree to any material modification of any Account herein assigned (whether specifically listed or not) without the prior written consent of the Bank.

**Promissory Notes, Trade Acceptances, and Other Instruments** If any of the Debtor's Accounts are or should become evidenced by chattel paper or promissory notes, trade acceptances, or other instruments, the Debtor will promptly notify the Bank and upon request by the Bank will immediately deliver the same to the Bank appropriately endorsed or assigned with recourse to the Bank's order, and regardless of the form of such endorsement or assignment, the Debtor hereby waives presentment, demand, notice of dishonor, protest and notice of protest and all other notices with respect thereto and agrees to take all necessary steps to preserve rights against prior parties to instruments and chattel paper.

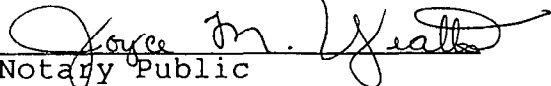
**Collection of Accounts** The Bank hereby authorizes the Debtor to collect the Accounts, subject to direction and control, but the Bank may, without cause or notice, curtail or terminate said authority at any time. Upon notice by the Bank, whether oral or in writing, to the Debtor, the Debtor shall forthwith upon receipt of all checks, drafts, cash, and other remittances in payment of or on account of the Accounts, deposit the same in one or more special accounts maintained with the Bank over which the Bank alone shall have the power of withdrawal. The remittance of the proceeds of such Accounts shall not, however, constitute payment or liquidation of such Accounts until the Bank shall receive good funds for such proceeds. Funds placed in such special accounts shall be held by the Bank as security for all Indebtedness secured hereunder. These proceeds shall be deposited in precisely the form received, except for the endorsement of the Debtor where necessary to permit collection of items, which endorsement the Debtor agrees to make, and which endorsement the Bank is also hereby authorized, as attorney-in-fact, to make on behalf of the Debtor. In the event the Bank has notified the Debtor to make deposits to a special account, pending such deposit, the Debtor agrees that it will not commingle any such checks, drafts, cash or other remittances with any funds or other property of the Debtor, but will hold them separate and apart therefrom, and upon an express trust for the Bank until deposit thereof is made in the special account. The Bank will from time to time, apply the whole or any part of the Collateral funds on deposit in this special account against such Indebtedness as is secured hereby as the Bank may in its sole discretion elect. At the sole election of the Bank, any portion of said funds on deposit in the special account which the Bank shall elect not to apply to the Indebtedness may be paid over by the Bank to the Debtor. The Bank, and any officer or agent of the Bank, is hereby constituted and appointed as true and lawful attorney-in-fact of the Debtor with full power at any time, whether or not the Debtor be in default under this or any other agreement, (a) to notify any and all account debtors to make payment directly to the Bank and otherwise to notify the account debtors of this assignment, (b) to ask for, demand, collect, institute and maintain suits for, receive, compound, compromise and give acquittances for any and all sums owing, which are now, or may hereafter become, due upon said Accounts, and to enforce payment thereof either in its own name or in the Debtor's name, (c) to endorse the name of the Debtor on checks, drafts or other items tendered or received in payment of said Accounts, and (d) to enter upon the premises of the Debtor at any time for the purpose of reducing to possession the Accounts (including chattel paper) and all cash or non-cash proceeds thereof, or for the purpose of inspecting the Inventory and inspecting and/or auditing the books, records and procedures of the Debtor. This power of attorney is coupled with an interest and shall be irrevocable as long as any Indebtedness shall remain outstanding, and shall not terminate on disability of the Debtor.

COMMONWEALTH OF VIRGINIA

COUNTY OF Prince Edward

)  
) ss:  
)

On this 4th day of March, 1991, before me personally appeared Jack M. Robeson, to me personally known, who being by me duly sworn, says that he is the Vice President of SOVRAN BANK, N.A., that the seal affixed to the foregoing Security Agreement is the corporate seal of said banking association, that said instrument was signed and sealed on behalf of said banking association by authority of its Board of Directors, and he acknowledged that the execution of said instrument was the free act and deed of said banking association.

  
Notary Public

(Seal)

My Commission expires:

June 30, 1994



COMMONWEALTH OF VIRGINIA            )  
  )    ss:  
COUNTY OF BUCKINGHAM            )

On this 13<sup>th</sup> day of March, 1991, before me personally appeared R.E. Bryant, to me personally known, who being by me duly sworn, says that he is the President of BUCKINGHAM BRANCH RAILROAD COMPANY, that the seal affixed to the foregoing Security Agreement is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of said instrument was the free act and deed of said corporation.

Judy B. Myers  
Notary Public

(Seal)

My Commission expires:  
11-30-1995



**ANNEX A**  
**TO NOTE AND SECURITY AGREEMENT**

This Annex A constitutes an integral part of Note and Security Agreement # N/A dated January 14, 19 91, (the "Note"), between Buckingham Branch Railroad Company (the "Debtor") and **SOVRAN BANK, N.A.** (the "Secured Party"). Words and terms which are defined in the Note shall have the same meanings herein as therein provided.

The following provisions are hereby made a part of and incorporated in the Note:

- (a) Debtor agrees to comply in all respects with all laws of the jurisdictions in which the Collateral may be operated, with all applicable rules of the Association of American Railroads, and with all laws, rules, regulations and orders of the Department of Transportation and the Interstate Commerce Commission and any other federal, state or local legislative, executive, administrative or judicial body exercising any power of jurisdiction over the Collateral (collectively, "Applicable Laws") In the event that any Applicable Law requires the alteration of any Collateral, or in case any Collateral or accessory or attachment thereto shall be required to be changed or replaced, or in case any additional or other accessory or attachment is required to be installed on any Collateral in order to comply with Applicable Laws, Debtor agrees to make such alterations, changes, additions and replacements at its own expense, and Debtor agrees at its own expense to use, store, maintain and operate the Collateral in full compliance with the Applicable Laws throughout the term of this Note
- (b) In addition to its covenants and agreements under the Note regarding the location of the Collateral, Debtor agrees that the Collateral will be used primarily in the continental United States and that Debtor will use its best efforts to cause any Collateral which is used outside of the continental United States to remain outside of the continental United States for the shortest possible time
- (c) In addition to its covenants and agreements under the Note regarding financing statements, Debtor agrees that it will, at its expense prior to the delivery and acceptance of any Collateral under the Note, cause the Note to be filed and recorded with the Interstate Commerce Commission in accordance with Section 11303 of the Revised Interstate Commerce Act and the regulations promulgated thereunder All references in the Note to "financing statements" shall be deemed to include filings and recordings with the Interstate Commerce Commission
- (d) Debtor shall maintain on each side of each item of Collateral the following identification in block letters not less than two inches high **"SOVRAN BANK, N.A., SECURED PARTY"**, or other appropriate words designated by Secured Party, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the rights of the Secured Party under this Note Debtor will not place any Collateral in operation or exercise any control or dominion over the same until such names and words shall have been so marked on both sides thereof and will replace promptly any such markings which may be removed, defaced or destroyed

COMMONWEALTH OF VIRGINIA

COUNTY OF Prince Edward

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SS:

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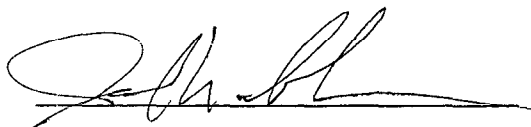
A F F I D A V I T

says: Jack M. Robeson, having been sworn, deposes and

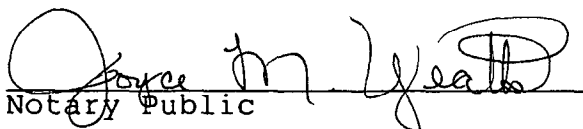
1. He is a Vice President of Sovran Bank, N.A. and, in such capacity, he has custody of and control over the files of Sovran Bank, N.A., concerning the financing extended to Buckingham Branch Railroad Company for the purchase of certain railroad equipment. Those files include that certain Security Agreement dated January 14, 1991, between Buckingham Branch Railroad Company, as Debtor, and Sovran Bank, N.A., as Secured Party (the "Security Agreement").

2. He compared an executed original of the Security Agreement with the copy of the Security Agreement attached hereto, and found the copy to be complete and identical in all respects to the original document.

3. Further, the affiant sayeth naught.



SWORN TO and subscribed before me  
this 4th day of March, 1991.

  
Notary Public

My Commission Expires: June 30, 1994

